



# State Senator Tupac A. Hunter

*Serving the 5th District Constituents in  
Detroit, Dearborn Heights & Inkster*

## Michigan Legislative Report



MICHIGAN STATE SENATE  
**TUPAC A. HUNTER**  
STATE SENATOR • 5TH DISTRICT

*Dear Friend:*

*As I look ahead at the challenges our state will face over the coming year, I believe one of the most important issues we need to address is Michigan's ongoing housing crisis. Our best efforts to re-energize the state's economy will be fruitless unless we can offer relief to struggling families, and help them keep their homes.*

*Recently, I have successfully passed two important laws that will regulate loan officers and bring accountability to the mortgage industry, and offer consumers new loan products through the Michigan State Housing Development Authority to transition into affordable fixed-rate mortgages.*

*My hope is that these laws will help consumers who are currently facing foreclosure keep their homes, and protect prospective homebuyers from unscrupulous lenders and future financial hardships.*

*However, there is still more we can do to keep the American dream of homeownership alive for Michigan families. That is why I have also introduced legislation that would lower local property taxes for eligible senior citizens, and prevent the illegal practice of real estate flipping which irrationally drives up home prices.*

*This newsletter is intended to provide information about some of these key issues that may affect you and your family. If you have any questions or concerns, feel free to contact me toll-free at 866-262-7305.*

*I look forward to hearing from you.*

*Sincerely,*

State Senator  
Tupac A. Hunter

## How to Contact Me

State Senator  
**Tupac A. Hunter**

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# Fight Foreclosures, Save the Dream

Last November Governor Granholm and the Michigan State Housing Development Authority (MSHDA) launched the “Save the Dream” campaign to protect Michigan families and keep consumers in their homes. This public awareness initiative is intended to help citizens avoid foreclosure and stabilize our state’s turbulent housing market.

As the Democratic Vice-Chairman of the Senate Banking and Financial Institutions Committee, I was the lead sponsor of the bill package implementing the Save the Dream initiative.



One of the main goals of the Save the Dream campaign is to establish an Adjustable Rate Mortgage (ARM) Refinance Program that will help homeowners switch to a lower-interest, fixed-rate loan. These ARMs have been one of the major factors contributing to our state’s foreclosure crisis, which is why I am proud to have

sponsored Public Act 57 of 2008 to make sure homeowners in this state can transition into a stable, long-term mortgage that they can actually afford. The Rescue Refinance Program, another important feature of the initiative, will assist individuals who have a delinquency on their mortgage and face foreclosure.

To learn more about MSHDA’s Save the Dream campaign, log on to [www.michigan.gov/mshda](http://www.michigan.gov/mshda) and click on the “Save the Dream” link. Also, current as well as prospective homeowners can contact MSHDA toll-free at **866-946-7432**.

## Property Tax Support for Struggling Families

With deadlines for summer property taxes around the corner, the Legislature is currently working on several bills that will help put money back in the pockets of Detroit-area families.

**Senate Bill 516**, which I sponsored, will allow local governments to exempt from paying property taxes any person aged 65 years or older whose income comes from social security. This bill could ultimately help seniors living on a fixed income have more money at their disposal to pay for everyday necessities like groceries, gas and prescriptions.

**House Bill 4215** was recently passed by both the House and Senate and would allow a homeowner to claim an additional homestead exemption for up to three years in specified circumstances. The bill is intended to help workers who have moved for employment reasons, but are struggling to sell their old home in this challenging housing market.

**Senate Bills 790 and 791** recently passed with strong bipartisan support, and will offer relief to Michigan families by increasing the maximum homestead credit from \$1,200 to \$1,300, and allowing new homeowners to claim an income tax credit equal to the “pop-up” property tax.

I have introduced legislation that would allow residents of a city that levies a trash fee to include that amount in their homestead credit. For Detroit residents, the average citizen would receive an additional \$180 tax credit, and senior citizens would receive an extra \$300. Also, I have introduced a bill to increase the maximum homestead credit from \$1,200 to \$1,400 for those who have incomes of less than \$50,000 a year. Both of these measures would offer relief to the citizens who need it the most and help stimulate our economy.



## Facing Foreclosure? Need Help?

If you or someone you know is a homeowner in danger of losing their house through foreclosure, help may be a click or phone call away. Here are some options for those who need assistance:

- The Michigan State Housing Development Authority’s (MSHDA) **Save the Dream** program information can be found on the Internet through their homepage at [www.michigan.gov/mshda](http://www.michigan.gov/mshda) or by calling (toll-free) **866-946-7432**.
- **Detroit Home Ownership Preservation Enterprise**, a collaboration of banks, nonprofits and government which provides assistance to Detroit residents, can be reached by calling **888-995-7432**.
- The **Department of Housing & Urban Development’s** counseling and referral line toll-free phone number is **800-569-4287**.

# Why Are Property Taxes Going Up While Home Values Are Decreasing?

Right now many citizens are rightfully concerned about rising property taxes and declining home values. That’s why I wanted to offer a brief explanation about why this is happening.

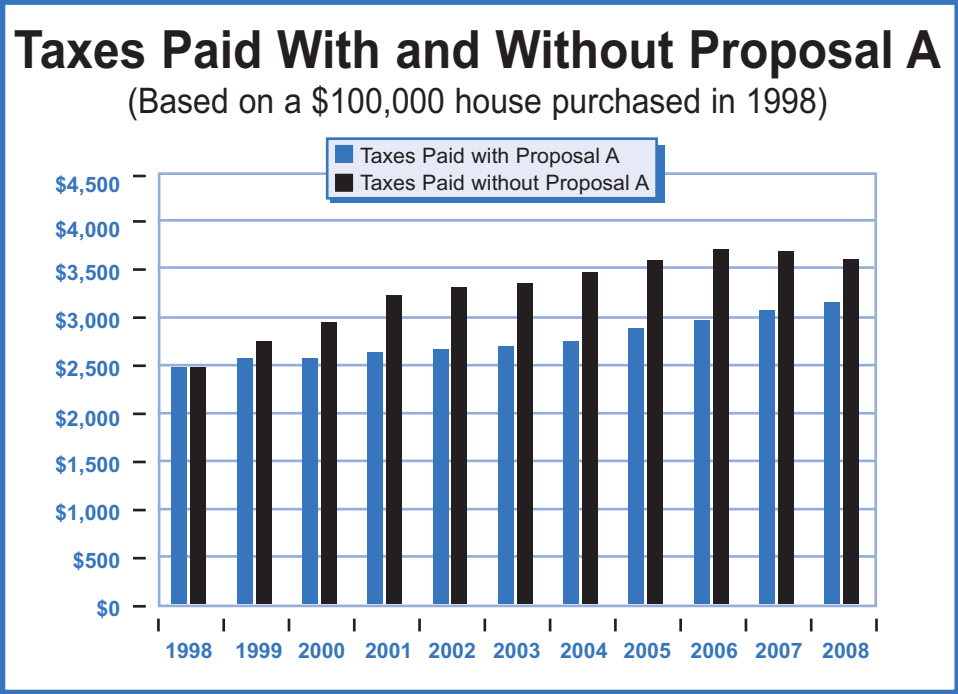
It is important to point out that your home value is determined by your local assessor. State law limits how much your property taxes can increase in a given year.

Since the passage of Proposal A in 1994, property taxes have only been allowed to increase annually by 5% or the rate of inflation, whichever is less. Since inflation has been relatively low in recent years, Proposal A has benefitted many homeowners with a lower property tax bill compared to what it would have been under the old system.

Unfortunately, in this tough economic climate, home values are decreasing while the rate of inflation has stayed the same.

For the most part, Proposal A is still keeping property taxes relatively low, which is a good thing. However, we clearly need to

offer struggling homeowners relief where we can, and continue the work of re-energizing our state’s economy to reverse this trend.



Property taxes are continuing to go up even as home values in Wayne County are decreasing. As the chart shows though, you are paying less in property taxes under Proposal A than you would without it.



Senator Hunter joins students from the Universal Learning Academy in Dearborn Heights and their teachers and chaperones during their visit to the State Capitol on March 20, 2008.

## Publications and Information Packets Available

Please check the appropriate box(es) below, fill in your name and address in the space provided and return this entire coupon to:

**State Senator Tupac A. Hunter •**  
**P. O. Box 30036 • Lansing, MI • 48909-7536**  
or you may email your request to [SenTAHunter@senate.michigan.gov](mailto:SenTAHunter@senate.michigan.gov).

☐ State of Michigan Map

☐ Consumer Protection Resource Guide  
Everything you need to know about consumer rights and Michigan law: how to protect yourself from consumer fraud and how to take legal action.

☐ A Citizen’s Guide to State Government  
Information about the state legislature and elected public officials at state and federal levels of government.

☐ Senior Citizen Information Packet

☐ Foreclosure Prevention Packet

☐ Insurance Information Packet

Name \_\_\_\_\_

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# State Senator Tupac A. Hunter

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## How to Keep Your Home

The best advice you will ever hear when you know that you are having financial trouble is COMMUNICATE, COMMUNICATE, and COMMUNICATE! Here are some helpful tips to avoid foreclosure and keep your home:

- Open and respond to all notices in the mail.
- Contact your mortgage lender immediately and ask them for help.
- Contact a certified counseling agency at [www.mshda.info/counseling/search/](http://www.mshda.info/counseling/search/) or call 2-1-1 for free advice from United Way.
- Know what kind of monthly shortfall you have by making a list of your monthly spending and comparing it to your monthly income.
- Reduce your spending by eliminating a monthly payment like a cell phone, cable TV or a second car.
- Take stock of your assets like jewelry, investments, or whole life insurance that, if sold, may help bring you up to date on your mortgage payment.
- Do not sign over anything unless you have a reputable attorney or homeownership counselor review it.
- If you find you are 30 days past due, your lender will expect the past payment along with the current payment, late fee and interest. Do not spend money that you have allocated for the mortgage on other things. You will need this money to work yourself out of the problem eventually.



- If you feel that keeping your home is not an option, contact your mortgage lender or servicer (which is the name on the statement that you write your mortgage payment to) and ask for a person who can help you explore your options to minimize your loss.


### E-News Sign-up



To receive my weekly e-newsletter, please visit my website:

[www.senate.mi.gov/hunter/join.html](http://www.senate.mi.gov/hunter/join.html)

You may also check out my latest activities in Lansing and in the district by visiting my website at [www.senate.mi.gov/hunter](http://www.senate.mi.gov/hunter).



### Talk Time With Tupac

Senator Tupac A. Hunter has scheduled three coffee hours to give district constituents an opportunity to personally share their ideas and concerns.

**Detroit: Mary's Grill**  
20804 Plymouth Road  
All coffee hours are held on the 1st Friday of the month from 10-11AM.

**Inkster: McDonalds**  
27125 Cherry Hill  
All coffee hours are held on the 2nd Friday of the month from 10-11AM.

**Dearborn Heights: McDonalds**  
6412 North Telegraph Road  
All coffee hours are held on the 3rd Friday of the month from 10-11AM.

You are invited to attend whichever coffee hours work best for your schedule. If you are interested in joining me, please call my office toll-free at 866-262-7305, in order to confirm your attendance. Please be sure to leave a message if you call after hours.